

**Amendments to the Claims**

1. (Cancelled)

2. (Currently amended) An electronic system for managing distribution of digital content ~~as claimed in Claim 1~~ wherein comprising:

a. an electronic central rights provider;

b. an electronic intermediate rights provider;

c. at least one electronic consumer device;

wherein

- said central rights provider is configured to grant and transmit an electronic master license to said intermediate rights provider wherein said master license includes a right to create a child license for a set of digital content associated with said master license for transmission to said at least one electronic consumer device;
- said intermediate rights provider is configured to establish an account domain comprising at least said consumer device wherein said consumer device registers (registered consumer device) with said intermediate rights provider by transmitting an identifier and a set of security credentials to said intermediate rights provider;
- said intermediate rights provider is configured to create and transmit a unique account key to each of said registered consumer devices in a given account domain;
- said intermediate rights provider is configured to receive a request for a set of digital content from a first registered consumer device;
- said intermediate rights provider is configured to create an electronic child license according to said request and within a set of parameters dictated by said master license;
- said intermediate rights provider is configured to combine at least said child license, a set of account data associated with said first registered device requesting content (requesting device), and said digital content in a digital rights package;
- said intermediate rights provider is configured to encrypt said digital rights package (encrypted package) by using said account key;

- said intermediate rights provider is configured to transmit said encrypted package to said requesting device;
- said intermediate rights provider is configured to process a charge associated with said request using said account data associated with said requesting device; and
- said intermediate rights provider is configured to transmit a set of settlement data associated with said charge to said central rights provider.

3. (Cancelled)

4. (Currently amended) An electronic system for managing distribution of digital content, as claimed in Claim 3-2, wherein said requesting device is equipped with a digital rights management system which is configured to use said account key to decrypt said encrypted package and utilize said digital content, and said requesting device's digital rights management system is further configured to transmit said encrypted package to a second consumer device.

5. (Currently amended) An electronic system for managing distribution of digital content, as claimed in Claim 3 4, wherein, ~~if~~ when said second consumer device is a registered device in the same account domain as said requesting device, then a digital rights management system embedded into said second consumer device is configured to decrypt said encrypted package using said account key obtained at registration.

6. (Currently amended) An electronic system for managing distribution of digital content, as claimed in Claim 3 4, wherein, ~~if~~ when said second consumer device is not a registered device in the same account domain as said requesting device, then said second consumer device is configured to either (a) communicate with said intermediate rights provider to join said account domain or (b) communicate with said intermediate rights provider to establish a new account domain and receive an account key associated with said new account domain.

7. (Original) An electronic system for managing distribution of digital content, as claimed in Claim 6, wherein said intermediate rights provider is configured to update said encrypted package transferred to said second consumer device by deleting said account information associated with said requesting device and inserting account information associated with said second consumer device.

8. (Original) An electronic system for managing distribution of digital content, as claimed in Claim 5, wherein, said consumer devices are configured to request a set of additional license rights from said intermediate rights provider.
9. (Original) An electronic system for managing distribution of digital content, as claimed in Claim 8, wherein said intermediate rights provider is further configured to process a charge for said set of additional license rights using said account data associated with said consumer devices and according to a set of formulas included in said master license.
10. (Original) An electronic system for managing distribution of digital content, as claimed in Claim 9, wherein said intermediate rights provider is further configured to transmit a set of settlement data associated with said charge to said central rights provider.
11. (Currently amended) An electronic system for managing distribution of digital content, as claimed in Claim 4, wherein, ~~if~~ when said child license generated by said intermediate rights provider is usage-based, said requesting device's digital rights management system is further configured to transmit said encrypted package to second consumer device and to turn off said child license within said requesting device until such time as the child license is returned to the requesting device.
12. (Currently amended) An electronic system for managing distribution of digital content, as claimed in Claim ~~1-2~~, wherein said requesting device is equipped with a digital rights management system which is configured to transmit said encrypted package to a foreign consumer device and to ~~substantially contemporaneously~~ turn off said child license within said requesting device.
13. (Original) An electronic system for managing distribution of digital content, as claimed in Claim 2, wherein, said central rights provider is further configured to record a bonus to be associated with said intermediate rights provider for processing said request.
14. (Cancelled)
15. (Currently amended) An electronic system for managing distribution of digital content as claimed in Claim ~~1-2~~ wherein:
  - said intermediate rights provider (first intermediate rights provider) is further configured to request at least one child license from a second intermediate rights provider.

16. (Currently amended) An electronic system for managing distribution of digital content as claimed in Claim 15 wherein:

- said first intermediate rights provider is further configured to combine said at least one child license, a set of account data associated with at least one electronic consumer device that has registered with said first intermediate rights provider (registered electronic consumer device) and requested said child license, and a set of digital content associated with said child license in a digital rights package;
- said first intermediate rights provider is configured to encrypt said digital rights package (encrypted package) by using an account key associated with said at least one registered electronic consumer device; and
- said first intermediate rights provider is configured to transmit said encrypted package to said registered electronic consumer device.

17. (Currently amended) An electronic system for managing distribution of digital content as claimed in Claim 1 + 2 wherein:

- said intermediate rights provider (first intermediate rights provider) is further configured to export said child license to a second, trusted, foreign system-if when permitted by said master license.

18. (Currently amended) An electronic system for managing distribution of digital content as claimed in Claim 1 + 2 wherein:

- said intermediate rights provider (first intermediate rights provider) is further configured to import a foreign child license from a foreign system and use said foreign child license to create a digital rights package for distribution to said electronic consumer device that has registered with said intermediate rights provider.

19. (Currently amended) An electronic system for managing distribution of digital content as claimed in Claim 2 comprising at least two registered consumer devices (a first registered consumer device and a second registered consumer device) wherein

- said intermediate rights provider is configured to maintain a list of child licenses purchased by said registered consumer devices in said account domain;
- said first registered consumer device may purchase and receive said digital rights package;

- said second registered consumer device may attempt to utilize content associated with said digital rights package without said child license;
- said second registered consumer device may query said intermediate rights provider to determine if when said child license has been purchased by another registered consumer device in said account domain; and
- ~~if~~when said child license has been purchased by another registered consumer device in said account domain, then said intermediate rights provider may transmit said digital rights package to said second registered consumer device.

20. (Cancelled)

21. (Currently amended) A multi-processor system ~~as claimed in Claim 20 comprising a plurality of processor means for managing distribution of digital content wherein a first electronic rights provider is configured to create and transmit an electronic master license to a second electronic rights provider wherein said master license grants to said second electronic rights provider a right to create at least one child license for a set of digital content associated with said master license within a set of parameters defined by said master license~~, wherein said second electronic rights provider is configured to

- grant said child license to an electronic media device;
- process a charge associated with said child license using a set of account data associated with said media device; and
- transmit a set of settlement data associated with said charge to said first rights provider.

22. (Cancelled)